

The True Cost of Coal Act: One-Page Fact Sheet

Coal Train Export Issue:

As domestic demand for coal continues to decline, U.S. coal producers are increasingly seeking other foreign markets to sell coal. Much of the coal that will be mined and exported is mined on public lands for which very little in royalties are paid to the Federal Government. It is estimated that the average royalty payment is \$1.00-\$2.00 per ton of coal. According to the U.S. Energy Information Administration, the average price of U.S. Coal Exports in 2011 was \$148.56 per ton.

Recently permit applications have been filed to open coal export terminals in Oregon and Washington with an estimated maximum capacity of 175 million tons of coal to be exported through these two states by 2022. In 2011, Oregon and Washington exported a mere 5.9 million tons of coal.

The major rise in coal exports in these two states is estimated to cause a significant amount of traffic, noise pollution, environmental pollution, and public health risks. Absent legislation, the costs to address these issues would be borne by the taxpayers. Ultimately, the coal, which is mined on public lands, should include these additional costs.

Brief Description of Legislation:

Imposes a \$10 per ton tax on coal and establishes the Coal Mitigation Trust Fund. Trust funds may be used to mitigate the negative impacts of increased coal transportation. The bill also sets the depreciation period for coal export terminals to 50 years – consistent with other transportation related assets.